



29th April 2021

Jacobs
Independent Review of the Climate Change (State Action)
Act 2008

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Dear Sir or Madam,

RE: Tasmania's Climate Change (State Action) Act 2008

The Tasmanian Minerals, Manufacturing and Energy Council (TMEC) welcomes the opportunity afforded it to provide input to the Climate Change (State Action) Act 2008.

TMEC's membership base represents an important wealth creating sector within the Tasmanian economy. The combined minerals and manufacturing sectors employ 21,000 people and contributed \$5.9B in exports. Most of our members are based in regional areas of Tasmania and therefore provide critical employment opportunities away from public funded employers. Minerals exports alone account for 55% of Tasmania's commercial exports and is the foundation stone of many regional communities with 5,600 direct jobs.

TMEC has given this matter extensive consideration and understands the importance of the position Tasmania takes as part of this statutory review.

TMEC represents a broad range of industries which have equally variable abilities to alter their emissions. There are industries which mine, process and manufacture products which enable lower emission products globally as well as industries which are chemically constrained (laws of chemistry) and produce emissions for which there are no viable alternatives – yet.

TMEC has not constrained itself to the purpose of the Act being solely for the purpose of reducing Tasmania's emissions, but have included the possibility for the Act to leverage Tasmania's geography, community, and capability to reduce emissions elsewhere in the world. TMEC would encourage the Government to consider the bigger picture which is in play.

Climate Change Act - Review

- 1. To what extent should climate change considerations (e.g. greenhouse gas emissions, climate change impacts, climate resilience) influence policies and decisions by State government agencies and government business enterprises?***

The Tasmanian government can bring influence on two levels.

Strategically, politically, and morally the Government should reconsider Tasmania's role in emission reductions. Does Tasmania focus only on further reducing its emissions or does it adopt a more global view and seek to

bring influence on the global situation, while pursuing sensible reductions in Tasmania? When Tasmania's emissions are compared with the USA, Tasmania is approximately 0.000003% of the USA's emissions. Therefore, if Tasmania's Climate Change Act and the consequences of the Act could bring even a marginal influence on global emitters, the net benefit would outweigh any action taken to reduce Tasmania's emissions.

Could the Act lead to the showcasing of how a range of zero emission technologies can be applied in Tasmania, then there will be local reductions in emissions but more importantly the results from the various "pilot plants / studies" applied at scale will deliver benefits globally.

Therefore, the policies need to be based around attracting various technologies and for local demand to be created via these policies. For example, the current Renewable Hydrogen Plan is seeking to attract pilot Hydrogen plants AND then by enabling Tasmanian bus/train/truck fleets to use hydrogen, this supports both the supply and demand side of a zero-emission source of energy. This situation is what developers need to get something started. Enabling Tasmania to be a proving ground of the technology will better highlight the risks and commercial situation which could prompt further trials in other jurisdictions at a larger scale.

At a tactical level, requiring GBE's, SOE's to be early adopters of the new technologies helps create the "demand" and therefore solves half of the equation for a new technology to be tested.

If Tasmania elects to only focus the Act on its own emissions, then TMEC would caution any mechanisms to encourage further reductions need to be cognisant of the reductions which have occurred to date AND the absolute contribution Tasmanian emissions make up to what is a global inventory. Tasmania should not be lulled into achieving a reduction at all costs, given the state is already arguably at net zero and has been so for a few years. TMEC does not suggest a "do-nothing" approach is appropriate, but rather sensible reductions as and when technology and commerciality permit that to occur.

2. *How important is it to you that the Tasmanian government systematically assess and disclose the main risks associated with projected climate change?*

Some listed entities have already started building climate change risk profiles for their business continuity and/or opportunities. This can be beyond the resource capabilities of smaller entities. The state could determine and publish an overarching set of climate change assumptions which could serve as a set of "considerations" which businesses could use to view their own business continuity plans against.

This also serves the purpose of attracting new investments to Tasmania as it permits modelling which reduce risks for the investor.

3. *How might the Act provide you with confidence that successive State governments will continue to act to contain/reduce Tasmania's emissions and build climate resilience?*

While TMEC respects the right of an elected government to bring influence on pathways which achieve certain outcomes, it is important changes in direction are managed in an appropriate manner. This includes being clear on any target but also permitting reasonable time frames for businesses to adapt to suit a different nuance. The Act could contain some time frames and generic change management steps which outlines the process and durations involved in making a change which impacts business cases on recent or looming decisions. An Act which provides a glide path from one set of assumptions to another is a strong indicator that targets, and initiatives will only change over a sensible timeframe, with consultation and take into account case by case situations.

Utilising a 5 Year Rolling Plan to forecast emissions and identifying commercial technologies would demonstrate a timeframe beyond an election cycle. This would insure against sudden changes in operational environment and allow businesses to adapt in a positive way.

4. How might the Act drive further decarbonisation of the Tasmanian economy (e.g. via setting/legislating targets for sectors of the economy, potentially including interim targets)?

TMEC is not supportive of setting sectoral targets.

Tasmania is arguably already emitting less than its target. An aspirational target for the state is appropriate. Actual reductions, while retaining employment and other essential social factors should be dependent upon the ability to be commercially viable. Hence, as pathways to lower emissions become technically possible and commercially viable, then it would be prudent for those changes to be applied. Some sectors may have a much lower cost pathway than others and therefore to arbitrarily place targets on sectors over-simplifies the reality of how climate change targets are not considered entirely independent of any other consideration.

Any reduction in future emissions need to be taken within the context of what Tasmania has already achieved and its relevant contribution to the global situation. TMEC does not suggest a “do nothing approach” is acceptable, of course Tasmania should pursue sensible reductions, but retain proportional context to any decisions.

5. If the Act were to espouse principles that would guide consideration of climate change by government, its agencies and business enterprises, what might they be? Global Climate Action & Tasmania Emissions Targets

As noted previously, any principles to guide climate change considerations need to be taken within the context of what Tasmania has already achieved and its relevant contribution to the global situation. TMEC does not suggest a “do nothing approach” is acceptable, of course Tasmania should pursue sensible reductions, but retain proportional context to any decisions.

Tasmania’s greatest contribution could be from its already legislated goal of 200% renewable energy. This alone could make Tasmania effectively a “carbon offset” for another jurisdiction.

One of the principles could be to offer incentives for businesses to implement changes which result in a lower emission. Traditionally the global and national approach has been to tax all relevant businesses and the extra cost acts as an incentive to reduce emissions and therefore avoid or reduce the tax. Unfortunately, this a very blunt instrument and has proven to cause substantial unintended consequences and driven thousands of people into unemployment. The Tasmanian government could consider a scheme which offsets state taxes and charges in place for a business to invest in lower emissions technology.

6. Within the context of global agreements to action to reduce greenhouse gas emissions, what do you consider to be the main roles of the Tasmanian government and how effective do you believe the government has been?

Tasmania has arguably a proven track record of already having a net carbon zero profile. Tasmania should not be overlooked for what is has already. Even when the LULUCF impact is removed, Tasmanian’s emissions are more than 50% less than they were in 1990. If every jurisdiction in the world had Tasmania’s carbon emission profile, what would our planet be like today?

Tasmania’s contribution to date via its Renewable Hydrogen Action Plan and Renewable Energy Plan – which contains the aspiration to be 200% renewable is likely to put this state into the top 1-2% of the globe’s sustainable jurisdictions. Delivering on what has already been committed is a result Tasmania could be proud of.

7. What would Tasmania be like in 10 years’ time if it were a national or international leader in climate change responses?

Tasmania has arguably a proven track record of already having a net carbon zero profile. Tasmania should not be overlooked for what is has already. If every jurisdiction in the world had Tasmania’s carbon emission profile, what would our planet be like today?

Tasmania's global contribution to date, together with the aspiration to be 200% renewable is likely to put this state into the top 1-2% of the globe's sustainable jurisdictions. Delivering on what has already been committed is a result Tasmania could be proud of.

Philosophically, Tasmania has often been on the "wrong end" of global developments (losing population in gold rush, loss of markets for goods and other similar events). Tasmania has an opportunity to be a world leader by leveraging both its natural resources and its human capital to become the global hub for all things renewable. That could be the home of the most efficient water turbines, wave generators, hydrogen, bio methane and so on. Tasmania could have every example of renewable energy, along with corresponding research, design, manufacturing, operating and servicing capacity scattered across this island. Global leaders would come to Tasmania to experience the technologies firsthand. With Tasmania's connectiveness, it would be easier to share knowledge between technology types than having a country in Scandinavia being the experts in one element and another element being centred in the US, etc. It would be extremely difficult to replicate the "island's renewable ecosystem" which is a natural, but underestimated strength.

8. *What would you consider to be an appropriate long-term greenhouse gas emissions or emissions reduction target for Tasmania (in terms of date and level of emissions or emissions reduction)?*

The discussion paper quotes in Section 5.1, "Tasmania is among the least polluted regions in the world..." On some measures, Tasmania is already at net zero. This should be authenticated, like the declaration made in November 2020 – declaring Tasmania being powered by 100% renewable electricity. It is important every citizen in Tasmania has a clear and unambiguous understanding of just where this state is with its current contribution and where it has come from.

Any reduction in future emissions need to be taken within the context of what Tasmania has already achieved and its relevant contribution to the global situation. TMEC does not suggest a "do nothing approach" is acceptable, of course Tasmania should pursue sensible reductions, but retain proportional context to any decisions.

Now is Tasmania's time to focus on trialling new technologies and being the world's test bed for a net zero and better emissions profile. Rather than be focussed only on arriving at some number, be satisfied with a trend downwards, but be absolutely driven and urgent with increasing the portfolio of emission reduction technologies.

Perhaps Tasmania's ultimate measure is what it contributes to the rest of the world and their progress to apply Tasmania's experience. Tasmania would deliver a bigger absolute improvement in the globe's emissions by helping a major emitter to reduce their emissions by 1%.

9. *What (if any) value do you think targets for specific sectors of the economy would offer, including for the sector itself? If you agree with the concept of sectoral emissions targets, which sectors should have emissions targets? Why?*

TMEC is not supportive of setting sectoral targets. This is a blunt instrument and assumes the level of improvement to date has been the same between sectors and even by different businesses within the same sector, when we know that is not the case. Actual reductions, while retaining employment and other essential social factors should be dependent upon the ability to be commercially viable. As pathways to lower emissions become technically possible and commercially viable, then it would be prudent for those changes to be applied. Some sectors may have a much lower cost pathway than others and therefore to arbitrarily place targets on sectors over-simplifies the reality of how climate change targets are not considered entirely independent of any other consideration.

Any proposal to apply sector wide targets will undoubtedly have adverse consequences which may drive higher emissions in another sector or another jurisdiction. Sector based targets over-simplifies the reality of the basis

of each sector and does little to support collaboration. It could become a situation of “everyone for themselves” in some frantic race to achieve a result. It would be the least productive way to achieve what should and could be a noble achievement.

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10. *What key factors should influence Government decisions to set State, sectoral and/or interim targets? Low Carbon & Economy & Society Climate Resilience & Adaptation*

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11. *What do you consider to be the main risks and opportunities for Tasmania as it continues to transition towards a low/zero carbon economy and society? What risks and opportunities may arise if Tasmania transitions more slowly/more rapidly?*

History already shows one of the key risks in this change and has been repeated numerous times in Australia and globally. Any scheme or target, which results in a business being forced to cease its operation to achieve an emissions target, which in turn typically sees the supply gap filled by a business with higher emissions does not help people, society or our climate.

The opportunity should always be framed by, “How can a business/sector be sustained/grow AND see a reduction in emissions over time? Applying a weighting to either or is not sustainable, it must be given equal consideration.

As stated previously in this submission, Tasmania’s goal should include the provision of emission reductions (actual or the knowledge to do this) to other higher emission jurisdictions. Tasmania will provide the planet with a bigger nett benefit by doing this than anything it can do within Tasmania.

Tasmania has arguably already got a credible position and with natural forces will continue to get better. It is almost somewhat selfish and ill-considered to contemplate Tasmania limiting itself to accelerating a further reduction in what is a very low level of emissions.

12. What do you consider to be the main roles for State government in supporting Tasmania's low/zero carbon transition?

The number one global benefit the Tasmanian Government could strive for would be to plan and implement the objective of Tasmania being a showcase for many clean and renewable technologies.

This would require a strategy to attract world leaders to partner with Tasmanian businesses, to provide financial incentives or leverage the state's finances to fund prototypes and early technology trials. For example – a government fleet of electric and hydrogen vehicles, tidal generators, wave generators, R&D being applied to increase the efficiency of hydro generation, more energy efficient methods for energy intensive users, the use of waste / bio waste to convert to energy and the list goes on.

Importantly, the Tasmanian Government should provide perspective on where Tasmania is currently performing, where it has come from and yes encourage the pursuit of further on-island emission reductions, but the main event should remain what Tasmania can do for the rest of the world! Tasmania can provide global leadership – and along the way Tasmania benefits from the activity and attention. It is a win-win-win.

Thank you for the opportunity to provide feedback on the Climate Change (State Action) Act 2008. Please don't hesitate to contact us if you require further information.

Yours sincerely,



Ray Mostogl
Chief Executive Officer